GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

STARRED QUESTION NO:253
ANSWERED ON:16.12.2008
REVIVAL OF SMALL SCALE INDUSTRIES
Chaure Shri Bapu Hari;Chitthan Shri N.S.V.

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a): the total number of Small Scale Industries (SSIs) in the country and the number of sick SSIs as on 31 March, 2008, State-wise;

(b): whether the Government proposes to give financial package and provide incentives for revival of sick SSIs in the country including Tamil Nadu;

(c): if so, the funds allocated for the purpose during each of the last three years and the current year, State-wise; and

(d): the details of SSIs revived so far, State-wise?

Answer

MINISTER OF MICRO,SMALL & MEDIUM ENTERPRISES(SHRI MAHABIR PRASAD)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in the reply of part (a) in respect of the Lok Sabha Starred Question No. 253 for answer on 16.12.2008

(a): The total number of micro and small enterprises (MSEs) in the country as on 31st March, 2007 (latest available) is estimated to be 1,28,46,365.As per the data compiled by the Reserve Bank of India (RBI) from the scheduled commercial banks, the number of sick MSEs in the country as at the end of March 2008 (provisional) is 85,187. The State/UT-wise details are given in the enclosed Annexure - I.

(b) to (d): The Ministry of Micro, Small and Medium Enterprises do not provide any direct financial assistance for rehabilitation of sick MSEs.However,financial assistance,by way of debt restructuring, including fresh loans, for the rehabilitation of sick MSE is provided by the primary lending institutions (PLI),including commercial banks, which provide credit to the MSEs.For this purpose,the Reserve Bank of India (RBI) has issued detailed guidelines to banks in January 2002 on detection of sickness in MSEs at an early stage and taking remedial measures and for rehabilitation of sick MSEs identified as potentially viable.Further, RBI has issued guidelines on 8th September 2005, based on the `Policy Package for Stepping up Credit to Small and Medium Enterprises (SMEs)` announced by the Central Government on 10th August 2005.These guidelines relate, inter alia, to viability criteria,prudential norms for restructured accounts, provision of additional finance and time frame for working out the restructuring package and its implementation.As per the data compiled by the RBI from scheduled commercial banks,the State/UT-wise viable sick MSEs put under nursing as at the end of March,2008 is given in the enclosed Annexure-II.